



**AGENDA ITEM 8**

**OVERVIEW AND SCRUTINY BOARD**

**27 JULY 2010**

**SUMMARY OF THE ECONOMIC REGENERATION AND  
TRANSPORT SCRUTINY PANEL'S FINAL REPORT:**

**OLDER HOUSING AREAS**

**THE REVIEW**

The overall aim of the scrutiny investigation was to consider the updated position in respect of the Council's vision for the Older Housing Areas and to examine the various Housing Market Renewal (HMR) activities undertaken in inner parts of the town where levels of deprivation are most pronounced. The panel also examined the impact of regional planning policies on permitted house building within Middlesbrough and considered the Councils powers and resources to deal with poor housing conditions and management standards within the Private Rented Sector.

**CONCLUSIONS**

Based on the evidence given throughout the investigation the Panel concluded that:

**Revised vision for Gresham**

- a) The impact of the recession, slow down in the housing market, falls in land values and cuts in public spending post 2011 has meant that the delivery of the original proposals for the Older Housing Areas is no longer possible. The number of homes to be demolished in Gresham will be reduced significantly from 1500 homes to potentially half that figure, with the consultants emerging option proposing the demolition of 773 homes.
- b) A definitive revised way forward for the Gresham project has yet to be agreed and consultation is currently ongoing in respect of the revised proposals. A decision by the Executive is expected in the Summer of 2010 but following that decision swift action is needed to ensure that the properties earmarked for demolition are acquired and demolished within the shortest timeframe possible to pave the way for the site to be redeveloped. An attractive new housing offer must be provided to help regenerate Gresham and deliver a sustainable community in that area.
- c) Increasing the proportion of owner occupied properties within Gresham remains a priority and consideration needs to be given to what legal and other measures can be

put in place to ensure that individual families purchase the new houses in Gresham rather than private sector landlords.

- d) On the issue of refurbishment to properties and particularly the facelift works undertaken on Marton Road the Panel expressed the view that the condition upon the owner of the property to maintain the standard of work for a period of only three years is insufficient. The facelift works have been undertaken to a high standard and the requirement to maintain that visual impact for a longer period needs to be built in as part of the grant conditions.
- e) Some excellent Housing Market Renewal projects have been undertaken, with new housing provided in North Ormesby, Central Whinney Banks and West Lane. There is, however, still a substantial amount of work to be undertaken in Gresham, Grove Hill and St Hilda's/Middlehaven. The regeneration of the town's urban core represents a significant challenge for the Council. The Panel acknowledges that delivery of new housing in the older housing areas amid current market conditions will continue to prove challenging for some time to come.
- f) The Council is in a difficult position in that it is required to attract the optimum capital receipt for the land the Council owns but it also needs to encourage housing development to help stabilise the town's population and attract more people to live within Middlesbrough. One way to achieve this aim is for the Council to sell the land it has at its disposal to developers for the construction of new homes. The Council cannot afford however to sell its assets at below market value. Overage arrangements and section 106 or planning obligations can help to bring about additional benefits and these mechanisms will help the Council to move forward in respect of this agenda.

#### **Joint work with Tees Valley Living**

- g) Substantial levels of funding have been allocated to Tees Valley Living, as part of the Government's HMR programme, and that funding has been distributed throughout the Tees Valley with Middlesbrough receiving the highest proportion of funding, as the town has the highest level of need. The task of delivering sustainable communities through the physical transformation of areas affected by low demand and housing market failure is a real challenge and the present economic climate has only served to heighten that challenge.
- h) The amount of HMR funding that will be available post 2011 is unknown and the Tees Valley will need to compete nationally to attract as much funding as it can to deliver the ambitions of the region. Durham has been awarded 'Total Place' Pilot status and is therefore in a position to speak as 'one voice' in submitting its bid to central government. The Tees Valley needs to ensure it can compete when submitting funding bids in respect of this agenda for the benefit of the region.

#### **Regional policy / Net additional homes**

- i) Achievement of future NI154 targets (number of net additional homes provided) will also very much depend on the rate at which the housing market recovers. Given the time it takes to build new homes and the likely length and depth of the recession achieving the overall target number of additional homes will continue to be challenging. The housing market renewal schemes that include demolitions prior to redevelopment will also have an impact on future net performance figures, as demolitions undertaken are deducted from the gross supply figures for each year.

- j) The issue of population decline is affecting the sustainability of the town and action is needed to help stabilise and grow the population. The delivery of an improved and more balanced housing stock is an important aspect in helping to achieve this aim and both the type and tenure of the town's stock needs improvement to increase and stabilise population numbers. At present Middlesbrough's housing offer is failing to compete with that offered by neighbouring authorities, particularly when compared with Stockton, and urgent action is needed to ensure that the average net additional homes provided within the town does increase significantly over the next ten year period.
- k) The geography of the town does have an impact on the amount of green field sites the Council has at its disposal to open up for housing development in a suburban environment especially when compared with neighbouring authorities.
- l) Direct action needs to be taken by the Council to help deliver sites that are attractive to developers particularly those outlined in the LDF Core Strategy as strategic housing locations; Greater Middlehaven, Hemlington Grange and Inner Middlesbrough/Grove Hill. The use of a Local Asset Backed Delivery Vehicle, financial support from the Homes and Communities Agency, investing in the up front costs of putting in place the necessary service infrastructure, preparing development briefs and other initiatives must be further developed in order to deliver new housing on these approved sites.

### **Private Rented Sector**

- m) There is a need to better engage with private sector landlords within Middlesbrough and it is acknowledged that at present the Council does not engage with landlords as well as other local authorities within the Tees Valley. The Rugg Review highlighted the need for local authorities to improve their knowledge of the PRS and the Panel accepted that the development of a Private Rented Housing Strategy would play a key role of the development of the PRS within Middlesbrough.
- n) Reference was also made within the Rugg Review to the creation of 'local letting agencies' to facilitate tenancies in the PRS for those in housing need, including Housing Benefit recipients. The Council will need to explore this area and generate some proposals with regard to the possibilities for developing such an agency with the potential to fast track and match Housing Benefit recipients with private rented sector properties.
- o) Selective licensing is proving an effective tool in helping to address issues within the PRS and there would be benefits to extending the areas covered by the scheme. At present the Panel expressed concerns that there are instances where problem tenants are being displaced into other areas of the town as a result of selective licensing and there is a need to develop a town wide solution to this issue. The current designation is due to end in June 2012 and an exit strategy from this point needs to be considered.
- p) Property conditions within the PRS are poorer than in any other sector and Middlesbrough's 2005 Private Sector Stock Condition Survey highlighted that 44 per cent of dwellings within the sector failed to meet the decent homes standard criteria.
- q) Poor housing impacts on health, society and people's quality of life and the Panel expressed the view that the Healthy Homes Initiative launched by Liverpool Council and PCT, which makes use of the Housing Health and Safety Rating System (HHSRS) to assess properties within targeted areas of the town, where health outcomes and

housing conditions are poor is an effective way to improve housing conditions in the PRS and to help reduce health inequalities. Further work is needed in Middlesbrough to examine the possibility of launching a similar healthy homes initiative in partnership with the PCT.

- r) The significance of the Private Rented Sector (PRS) is increasing owing to the number of people now living in the PRS and there is a need for the Council to improve relationships with private sector landlords. The Landlord Accreditation Scheme is in place but increased incentives to encourage landlords to join the scheme coupled with enforcement action against those landlords who fail to meet their responsibilities is required.

## **RECOMMENDATIONS**

- 8. That the Economic Regeneration and Transport Scrutiny Panel recommends to the Executive:
  - a) That all the mechanisms the Council has available at its disposal be used to deliver housing on the strategic housing sites, as outlined in the Core Strategy of the LDF, including for example the provision of service infrastructure, the use of a Local Asset Backed Delivery Vehicle and the preparation of development briefs, as well as increased partnership working with the HCA, the private sector and Registered Social Landlords (RSL's) in order to deliver new housing within town.
  - b) That an early review of the Core Strategy and Regeneration Development Plan Document be undertaken, as although theoretically the supply of land in Middlesbrough is sufficient to meet the RSS housing requirement, this was based on market conditions prior to the economic downturn. In the current conditions build rates have been slower than previous forecasts and sites identified for housing development are not coming forward. Middlesbrough is failing to meet the annual targets and even the revised targets will prove challenging. Urgent action is therefore needed to identify new sites that will enable additional housing to be provided within the town in the next five years.
  - c) That efforts continue in partnership with the other Tees Valley authorities to promote the need for government investment in Housing Market Renewal (HMR) activities within the Tees Valley and to ensure that the Tees Valley secures the level of funding that is needed to deliver transformational change within some of the most deprived areas of the country.
  - d) That a clearer vision for the older housing areas be communicated to enable people within the town to understand the current position and the work that is being undertaken on the various sites to provide a new housing offer and regenerate communities. Within this communication clarity needs to be provided in respect of a realistic timescale or aim date for completion of the Housing Market Renewal (HMR) programme and creation of new sustainable communities in Gresham, Grove Hill and Middlehaven / St Hilda's.
  - e) That a focus is maintained on increasing the town's housing offer at the middle and upper end of the market in order to increase the number of Council Tax Band C, D, E and F properties within the town, with a view to rebalancing the housing market and increasing the town's population.

- f) It is clear that the selective licensing is working but consideration needs to be given to an exit strategy, as the current designation is due to end in June 2012. The potential increase in the number of properties to be licensed, as a direct result of the proposed revisions to the Gresham Regeneration Project also requires further consideration.
- g) That joint Officer / Member group consisting of Housing Officers and a number of interested Members be established to develop a discussion document that would explore the potential for measures to be put in place to ensure that the new build properties constructed in Gresham are purchased by owner occupiers and not private sector landlords.
- h) That the Mayor provides bi-annual updates to the Panel in order to advise on the progress being made in respect of the Gresham project.
- i) That a Private Rented Housing Strategy be developed and work be undertaken to increase the Council's knowledge of the PRS in an effort to improve relations with private sector landlords and that as part of that process the Private Rented Housing Strategy be referred to the Panel for consideration.
- j) That the option to provide financial assistance through the Regional Loans Scheme to private sector landlords to improve conditions in the PRS be adopted.
- k) That as part of the Landlord Accreditation Scheme the following elements be included to encourage responsible landlords to join; access to the private registration scheme, access to financial assistance through the regional loans scheme, access to a landlord hotline number for tenancy advice, discounted services and reduced advertising fees where possible.
- l) That a review of the current licence fee charged to landlords of HMO's be undertaken.
- m) That the possibility of developing a 'local letting agency' with the potential to fast track and match Housing Benefit recipients with private rented sector properties be explored and some concrete proposals put forward.
- n) That where facelift works are undertaken and grants awarded that a grant condition be built in to ensure that standards are maintained for a minimum period of five years.
- o) That a joint piece of work be undertaken with the PCT to examine the benefits of the work undertaken in Liverpool in respect of using the Health Housing Safety Rating System (HHSRS) to improve housing conditions in the PRS as well as reduce health inequalities. The purpose of the work is to explore how a similar 'Healthy Homes' initiative could be launched in Middlesbrough. The information gained during the course of this work can then be used as part of the business case in the submission of a bid to the PCT to secure the necessary funding.
- p) That information be made available to private sector tenants to advise them of their rights in respect of housing conditions. Information on the type of action that the Council can take to address any issues raised also needs to be highlighted

**COUNCILLOR JOHN COLE  
CHAIR OF THE ECONOMIC REGENERATION AND TRANSPORT SCRUTINY  
PANEL**